

**Title****The *Gift* of the Monks and the Economic *Avaton* of Athos****Author****Dr. Michelangelo Paganopoulos (Goldsmiths, University of London)****Abstract**

The proposed paper offers a re-evaluation of the relationship between the church and the state in Greece and the EU, focusing on the case of Mt. Athos. The paper argues that in order to reconstitute social and cultural cohesion between both Greece and the EU with the Orthodox Church, on the basis of diversity and heterogeneity according to the unified ideal of European solidarity, it is necessary in this process of transformation to highlight aspects of transparency and regulation. In Mauss's terms, Athos is both a 'gift' to Greece: the carrier of the Modern Greek identity, and a poison (*farmakon*) to the Greek economy, symbolizing decades of corruption of a state that is still struggling to get over its feudal past. The paper further argues that it is vital to work collectively towards social and political cohesion through transparency and regulation in Greece, in order to confront the challenge of the European Unification and the unregulated market. The recent developments between the Cypriot monks of Vatopaidi and the Greek and Cypriot states regarding the issues of the *avaton*, *metochia*, and taxation, as well as, the impact of the UNESCO Heritage funding, the recent visits of Putin to Athos and public discussions over Russian investment to construct a railway that will directly connect Moscow to the monasteries, and further discussions regarding a wider future cooperation between Russia, Greece and Cyprus over energy policies and transport networks, all amount to a serious challenge to the European policy objectives for the environment and the Trans-European Transport Network operations undertaken by Structural Funds. In this context, Athos becomes a meeting place of *contestation* between various secular (i.e. 'cosmopolitan') forces, including those between the Greek state, the Church, and the monasteries, as well as, Europe. A re-evaluation of the relation of Athos to Greece and Europe could be then used as a strategic model for restructuring and regulating the relationship between secular and theocratic offices; the present and the past; change and tradition.

The author conducted fieldwork in two monasteries and other settlements of Mount Athos between 2002 and 2004, as part of his PhD thesis in social anthropology at Goldsmiths, University of London, entitled: 'The Virgin land: An ethnographic study of monastic life in two monasteries of Mount Athos'.

## The Paradox of Monastic Life: *Virginity and Economy*

Since the inclusion of Athos in the Greek border in 1912, the thousand-year old monastic republic of only-male monks remains an untaxed heaven. Its economic and political autonomy was established in the Athonian Charter and Greek Constitution of 1925-6: 'justified exclusively on grounds of a spiritual and religious nature' (as per article 105)<sup>i</sup>. The autonomy of each monastery was ratified in 1979 by the EU<sup>ii</sup>. Although monks have publicly attacked in the past the Schengen Agreement as Satan's world-conspiracy, allegedly aiming to unify the world under his powers -as prophesized in St. John's *Apocalypse*-, the agreement confirmed the republic's 'special status' and guaranteed its exemption from EU's Value Added Tax (VAT) subject to special rules concerning excise-duty and value-added tax<sup>iii</sup>. Following the recent collapse of the Greek economy, there was a general call for the taxation of monastic properties outside Athos (*metochia*)<sup>iv</sup> as the means of regulating the awkward relation between the state and the monasteries. The need for taxation was further highlighted by revelations in the Greek media regarding the Vatopaidian scandal that anticipated the economic crisis of 2008-2012, culminating with the imprisonment of its Abbot Ephraim in December 2011 over money laundering and neglecting his duties. The Greek media highlighted the mediatory role of monks and government agents in public life, who secretly acted against the interests of the Greek state, as the damage from such 'spiritual' relations was reported to be in millions of Euro<sup>v</sup>. In response to the call for transparency, the monks sent two letters to two Greek PMs, in which they used the 'special status' of Athos to defend their tax-free heaven on the 'grounds of anonymity'. They argued that the monasteries' revenue is: 'just about sufficient to cover repairs to buildings, their basic daily needs and food and lodgings for visitors [...] this special status should continue to apply otherwise several monasteries will be unable to keep operating'<sup>vi</sup>. In protest against discussions over the taxation of the monastic properties, the Athonian Council refused to attend to the scheduled meeting with the Finances minister Georgios Mavraganis, as for them the 'special status' of Athos is a matter of faith ('*thema pisteos*') associated with the collective conceptions of 'Orthodox identity' (*tautotita*) and 'sacred tradition' (*iera paradoseis*) allegedly untouched for more than a thousand years.

Religiously veiled under the monastic values of poverty, virginity, and humility, the geographical separateness of the peninsula from the 'worldly world' (*kosmikos kosmos*) is enhanced by the *Avaton* ('no pass'/trespassing) referring to the thousand-year old prohibition to all females and cattle from entering the peninsula (Paganopoulos 2007: 122-5). Accordingly, the 'virgin life' (*parthena zoe*) of the Mount illustrates Durkheim's definition of monasticism in terms of a 'sacred' way of life, in opposition to the 'profane' (i.e. secular) world (1995:37). However, while in Durkheim monasticism offers an 'escape' from the worldly world, the recent scandals of Vatopaidi challenge this moral disconnection of sexuality (virginity) from economy, highlighting instead, the historical dependence of the monasteries to powerful 'cosmopolitans' (meaning 'world [*cosmos*] citizens [*politis*']), including Emperors, traders, European Kings, Ottoman Sultans (Gillet 1987:65, Papachrysanthou 1992:226-32, among others), and today the EU. The moral contradiction in the dependence of the monks to the world of flesh reveals the greater ontological paradox of Christian monastic life, as also highlighted by Loizos and Papataxiarchis (1991:16-17)<sup>vii</sup>, which inevitably raises further questions of how to morally justify historical *change*. The paradox is illustrated by the contradictory, and yet, complementary, relation of the Athonian concepts of 'virginity' (*parthenia*), in reference to the legend of the Virgin Mary which

informs the landscape and the virgin way of life inside the monasteries, and the ‘economy’ (*oikonomia*) of each monastery, meaning the ‘law of the house’ and referring to the everyday practices and compromises the monks have to make in their strive towards the ideal (Paganopoulos 2009: 363-378)<sup>viii</sup>.

One of the main issues regarding the paradoxical status of the monasteries is their constitutional and financial ambiguity. Nowadays, the contradictory image of contemporary monasticism is manifested in various forms: including questions over the pollution of the ‘virgin’ landscape and over-extraction of wood<sup>ix</sup>; the importation of new technologies and the internet that challenge the silent isolation of the monks from the world (i.e. *hesychasm*); and the rapid rise of religious tourism<sup>x</sup>. Parallel to these internal issues, there is also the thorny issue of the EU and UNESCO restoration and structural funding, and the compromises the monks might have to make in the future in order to receive further funds<sup>xi</sup>. This is exemplified by the rapid economic and demographic revival of Vatopaidi in the 1990s by the Family of Josephaeoi (Paganopoulos 2009:371-373) which was funded by the EU and the Greek government via the ‘Athos program’<sup>xii</sup>. The fund was used for the restoration of buildings, cataloguing artworks, relics, and printed material, as well as, conservation of the natural environment. Although a portion was subsidized by *KEDAK*<sup>xiii</sup>, the program was mainly dependant to EU funding under the guidelines of UNESCO as a ‘World heritage Site’. In addition to this, following the great fire in March 2004, extra-budgetary funds were given to Vatopaidi to help with the restoration of the neighbouring Serbian monastery of Hilliandari<sup>xiv</sup>.

### **Vatopaidi’s Network economy: Contemporary Issues, Moral Dilemmas**

However, the EU funds raised two kinds of questions over the *exceptional* status of Athos: questions over the legality of the rule *Avaton*, and vice versa, the impact of funding in Athonian life; and questions over the distribution and actual use of structural funds. In 1999, the UNESCO world heritage fund was interrupted because of the issue of the *Avaton*, raised in the European parliament over the right of all EU citizens to access all European areas<sup>xv</sup>. In opposition to the thousand year old rule, the EU put forward the principle of ‘*acquits communautaire*’, referring to the obligation of the funded monasteries to participate in the public discussion over women’s right of access. The second issue regarding the distribution of funding was associated with corruption in the conduct of some monasteries. According to some reports in the Greek media, EU funding was not used to restore the monasteries or preserve the natural environment, but for investing in land and privileged properties outside Athos, with the co-operation of government agents and lawyers acting on behalf of the monastery. In 1998, the Abbot and the council of elders of Vatopaidi began a legal process against the Greek state, claiming the lake Vistonida in northern Greece according to Byzantine and Ottoman rulings. Its claims were followed by three other monasteries: Koutloumousiou, Xenophontos, and Dionysiou, all belonging to ‘spiritual children’ of Joseph the Hesychast<sup>xvi</sup>. Ten years later, in January 9 2008, six women, led by the MP Amanatidou-Pashalidou, broke the rule of the *Avaton* by jumping over the fence at the borders with the secular town Ierissos, in protest against Vatopaidi's claims. The women’s bravery brought to the public surface the political and financial involvement of the monasteries in secular life.

The revelations of 2008 brought to light Vatopaidi’s financial misconduct and political connections, which were carefully covered under the veil of ‘spirituality’ (Paganopoulos 2009:373-376). From 2008 to 2012, the Greek media unravelled a network of connections

that expands from Athens to Moscow and the US, through which the monks claimed public land, including forests and lakes, then exchanged it with highly valued properties with the secret involvement of politicians, judges, and lawyers, in order to rent or sell it to off-shore companies in the US and Cyprus to agents acting secretly on behalf of the monastery<sup>xvii</sup>. In response to the scandal, the Greek state prosecutor called him and the head of the monastery's Treasury, along with a number of Greek officials, agents, and lawyers, to be tried in 2009 (*Eleutherotypia* 18/5/09). Furthermore, the representatives of the monasteries of the Holy Committee and the Patriarch Vartholomeos asked Vatopaidi's Abbot to resign from his position in December 2008. The Abbot strategically resigned only from his administrative duties, as the head of the monastery's Council of Elders (*gerontia*), but refused to resign from his 'spiritual duties' (*pneumatika kathikonta*), thus, essentially remaining the father of the community on the basis of the structural separation of administrative from spiritual hierarchies (Sarris 2000:8-9, Paganopoulos 2009:365-6). Still, this tactical semi-resignation did not prevail his condemnation in the Greek court two years later, followed by his humiliating arrest in front of the media cameras and imprisonment in Athens (*AthensNews/gw, AMNA, Reuters, BBC* 29/12/2011).

Yet, his brotherhood refuses to condemn him, seeing him as a 'martyr' who sacrificed himself for the good of his community and the monastery, in imitation to the self-sacrifice of the 'first monk' Christ. In my discussions with Vatopaidians, many highlighted that the 'spiritual life' (*pneumatiki zoe*) of the brotherhood depends on the financial and political status of the monastery. Furthermore, according to the ideal of poverty, the abbot does not own any private property on his name, but everything belongs to the impersonal entity: the 'Monastery'. Thirdly, the monks were keen to highlight to me the missionary role of the monasteries as educational institutions inside and beyond the Greek state (Alpentzos 2002:14-15). This echoes Parry's assertion that Christianity is an 'ethicised salvation religion' which 'encourages the separation of persons from things', and in which charity becomes a 'free gift' and Christianity the ideological counterpart to unregulated capitalism (1986:453-473). In this sense, Vatopaidi is seen both as a centre of Orthodox spirituality, as well as, a business, as also testified by Ephraim himself in one of his speeches in the refectory during my fieldwork:

-“The monastery is like a business; just like a business advertises its trade, so do we. We advertise the treasures of our monastery, the holy girdle and the relics of the saints, the Holy Cross and the miraculous icons of Mary, to sell the spirit and advertise the Orthodox way of life” [extract from abbot's speech in refectory, 21/9/02]

In this context, the concept of 'economy', in association with the ideal of 'virginity', offer a variety of individual and collective strategies, on the basis of re-inventing traditional practices which are technologically reproduced, such as the vocation of sacred objects, as well as, the life-biography of charismatic monks. The production and distribution of such sacred products allow the monks to actively engage inside and outside Athos with a network of institutions (i.e. the network/informal economy). For instance, the object that symbolizes the virginity of the landscape and the monastic self is the girdle of the Virgin Mary, kept in Vatopaidi. According to the monks, the girdle miraculously produces Holy Moiré. The monks use the liquid to bless thousands of ribbons which allegedly impregnate sterile women. The ribbons are then sold through the internet and a network of churches and institutions in Greece and Russia (Paganopoulos 2007:129-132). The reputation of the girdle

brings into the monastery a number of visitors who make donations, or *tamata* ('promises'), which are golden ornaments of body parts (a leg, a hand, a heart) in exchange for a miraculous healing. The bigger its reputation, the more income the monastery makes from these exchanges in which the monks are mediators between god and the material world. Comaroffs article on the new religious 'economies of the occult' (2000:310), argued that the magic of capitalism (exemplified by the 'casino economy': to make money instantly out of nothing) was re-invented through a new religious market, which expands worldwide via new technologies such as the internet. In this context, the 'sacred' becomes a commodity, reproduced through the spiritual blessing of common items, such as copies of miraculous icons and items. These not only attract more visitors to the monastery, but simultaneously, expand its vocation through a 'meta-network' of 'individuals, activities and locales around the world' (as in Castells 1996:508).

For instance, the Vatopaidians exhibit the girdle in public pilgrimages from Cyprus to Moscow and the US<sup>xviii</sup>. During these pilgrimages, the miraculous girdle does not only heal the desolate, but above all, gains its own vocation, socially possessing 'individuality' and a 'name', 'qualities' and life-substance reproductive power (i.e. the Holy Moiré), thus, becoming both a 'social agent' and a 'moral entity' (as in Mauss 1990:30 and 56, Gell 1998:21 and 153, and Sahlins 1972:167, among others). In this sense, it becomes the centre of a network economy allowing Vatopaidi to engage with the world through the mediatory role of the monks between cosmopolitan and monastic institutions. During the latest pilgrimage of the girdle to Moscow in November 2011, Vladimir Putin, and the Russian Railways CEO and chairman of St Andrew the First-Called Foundation's board of trustees Vladimir Yakunin, had the opportunity to meet Vatopaidi's Abbot Ephraim and Monk Nektarios in order to discuss future investments in Vatopaidi, including a possible railway that would connect the monastery directly to Moscow<sup>xix</sup>. This relationship is reciprocal: Following Ephraim's arrest by the Greek authorities in December 2011, President Putin and the Russian Patriarch Cyril were among the most prominent public defendants of the Abbot's actions. Cyril organized a series of Orthodox protests in Moscow, including a letter to the Greek government in which we requested from the Greek government for the immediate release of Ephraim ([ekathimerini.com](http://ekathimerini.com), December 29, 2011). A month later, the Greek PM Samaras and Putin held a meeting with the chairman of Russia's state-owned energy giant Gazprom, Alexey Miller. The latter reportedly expressed: 'an interest in investing in Greece's Public Gas Corporation (DEPA) and gas distribution operator (DESFA) as well as the Public Power Corporation (PPC). Miller also conveyed Russia's interest in building power stations in western Greece that could transform gas being carried by the South Stream pipeline into electricity that could be channelled to Italy.' ([ekathimerini.com](http://ekathimerini.com), Jan 26, 2012). Putin's frequent visits to Athos instigated further discussions over energy policies, which amount to a serious challenge to European policy objectives for the environment and/or the Trans-European Transport Network, undertaken by Structural Funds. In this context, Athos becomes a meeting place of *contestation* between various secular (i.e. 'cosmopolitan') forces, including those between the Greek state, the Church, the monasteries, Russia and Europe.

This active involvement of the Vatopaidians with the same world they morally and practically denounce in their everyday life, on the basis of the tradition of 'virginity' (*parthenia*) and the association of the peninsula with the Virgin Mary, highlights the moral contradiction in the paradox of monastic life as discussed above. This contradiction is often picked by the Greek media in their way they portray the Vatopaidian scandal, focusing on the argument that a-monastery-should-not-be-a-business<sup>xx</sup>. However, this morally strict point of

view is rather a-historical, completely ignoring the historical ‘reciprocity’ between monks, and political and market institutions throughout the history of monasticism (Loizos and Papataxiarchis 1991:16). But also, ironically, it echoes neo-fundamentalist views on monastic life. For instance, the neighbouring rival to Vatopaidi monks of the monastery of Esfigmenou, who belong to the new zealot movement of the ‘Old Calendarist Church’ (*Palaioimerologites*)<sup>xxi</sup>, famously refuse to accept funding from the state and the EU, because they believe that such cosmopolitan institutions work for the ‘Antichrist Pope’. In this context of a world-conspiracy, the zealots believe that the Vatopaidian emphasis on obedience for instance is a way for the Vatopaidian elders to deceive the younger members on their brotherhood into a false (i.e. imported) type of monastic life, which aims to destroy Orthodoxy *‘from the inside’* [from personal communication with monks of Esfigmenou].

For the Esfigmenites, the public discussion over the abolition of the *Avaton* is a consequence of EU funding, and a sign of the Second Coming as prophesized by a number of charismatic monks: from Paisios’s famous prophecy of the great petrol war over Alaska, to prophecies about the end of time and the tsunami that will cover the 2,000 metres of Mount Athos, leaving only 33 metres above the water, a number echoing the years of Christ on the Cross. Only sixty-six righteous monks will be saved to witness the Apocalypse (prophecy from the monastery of Esfigmenou, Paganopoulos 2007:128). Many of these prophecies are spread in the internet, books, and magazines, or by word to mouth, forming an informal network of reinvented mythologies in direct relevance to the world today. They reveal a collective anxiety over contemporary matters of faith, including identity and tradition, money and corruption, pollution and disillusion with the new world. Ironically, they also echo Karl Polanyi’s warning about the ‘demolition of society’ as a result of the 19<sup>th</sup> century structural separation of the economic from the political and social sphere, resulting to the ‘dispose of the physical, psychological, and moral entity “man”’ (1944:ch.6): the pollution of nature, petrol wars, debt, riots, and the worldwide rise of unemployment along with the rise of neo-fundamentalism and neo-fascism, are all symptoms of a world society in formation; a world in a *liminal* chaotic state of rebirth. For Polanyi, stability can only be achieved through regulation, transparency, and cohesion. His call is directly relevant to the awkward relation of the monasteries both to Greece and the EU. Therefore, a re-evaluation of these net-relations, with taxation as its central focus, could be then used throughout the EU as a strategic model for restructuring and regulating the relationship between secular and theocratic offices; the present and the past; change and tradition.

## Endnotes

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<http://www.hri.org/docs/syntagma/artcl120.html>

### THE CONSTITUTION OF GREECE

#### PART THREE ORGANIZATION AND FUNCTIONS OF THE STATE

##### CHAPTER THREE Regime of Aghion Oros (Mount Athos)

###### Article 105

1. The Athos peninsula extending beyond Megali Vigla and constituting the region of Aghion Oros shall, in accordance with its ancient privileged status, be a self-governed part of the Greek State, whose sovereignty thereon shall remain intact. Spiritually, Aghion Oros shall come under the direct jurisdiction of the Ecumenical Patriarchate. All persons leading a monastic life thereon acquire Greek citizenship without further formalities, upon admission as novices or monks.

2. Aghion Oros shall be governed, according to its regime, by its twenty Holy Monasteries among which the entire Athos peninsula is divided; the territory of the peninsula shall be exempt from expropriation.

The administration of Aghion Oros shall be exercised by representatives of the Holy Monasteries constituting the Holy Community. No change whatsoever shall be permitted in the administrative system or in the number of Monasteries of Aghion Oros, or in their hierarchical order or in their position to their subordinate dependencies. Heterodox or schismatic persons shall be prohibited from dwelling thereon.

3. The determination in detail of the regimes of the Aghion Oros entities and the manner of operation thereof is effected by the Charter of Aghion Oros which, with the cooperation of the State representative, shall be drawn up and voted by the twenty Holy Monasteries and ratified by the Ecumenical Patriarchate and the Parliament of the Hellenes.

4. Faithful observance of the regimes of the Aghion Oros entities shall in the spiritual field be under the supreme supervision of the Ecumenical Patriarchate, and, in the administrative, under the supervision of the State, which shall also be exclusively responsible for safeguarding public order and security.

5. The afore-mentioned powers of the State shall be exercised through a governor whose rights and duties shall be determined by law.

The law shall likewise determine the judicial power exercised by the monastic authorities and the Holy Community, as well as the customs and taxation privileges of Aghion Oros.

<sup>ii</sup> In 1977, when Greece became a member of the European Common Market, the signatory states recognized the specificity of the self-governing reg70034512421F7E5C0111202036

ion of Athos and its special status. Source: UNESCO/CLT/WHC <http://whc.unesco.org/en/list/454>  
11979H/AFI/DCL/04: **DOCUMENTS CONCERNING THE ACCESSION OF THE HELLENIC REPUBLIC TO THE EUROPEAN COMMUNITIES, FINAL ACT, JOINT DECLARATION CONCERNING MOUNT ATHOS**

RECOGNIZING THAT THE SPECIAL STATUS GRANTED TO MOUNT ATHOS, AS GUARANTEED BY ARTICLE 105 OF THE HELLENIC CONSTITUTION, IS JUSTIFIED EXCLUSIVELY ON GROUNDS OF A SPIRITUAL AND RELIGIOUS NATURE, THE COMMUNITY WILL ENSURE THAT THIS STATUS IS TAKEN INTO ACCOUNT IN THE APPLICATION AND SUBSEQUENT PREPARATION OF PROVISIONS OF COMMUNITY LAW, IN PARTICULAR IN RELATION TO CUSTOMS FRANCHISE PRIVILEGES, TAX EXEMPTIONS AND THE RIGHT OF ESTABLISHMENT.

*Official Journal L 291 , 19/11/1979 P. 0186*

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<sup>iii</sup> Joint Declaration No. 5 attached to the Final Act of the accession Treaty states in a joint declaration: ‘Recognising that the special status granted to Mount Athos, as guaranteed by Article 105 of the Hellenic Constitution and the Charter of Mount Athos, is justified exclusively on grounds of a spiritual and religious nature, the Contracting Parties will ensure that this status is taken into account in the application and subsequent preparation of the provisions of the 1985 Agreement and the 1990 Convention.’

<sup>iv</sup> Επιβολή φόρου ακίνητης περιουσίας (*ETAK*)

<sup>v</sup> Abbot Ephraim taken to Korydallos prison’ (*Athens News/gw, AMNA, Reuters, BBC, 29/12/2011*)  
<http://www.bbc.co.uk/news/world-europe-16344621> [last visit 9/6/13]

<sup>vi</sup> The first letter was sent to George Papandreou in March 2011; the second to the current PM Samaras in August 2012. See online reports *Ekathimerini.com* [15/5/2012] and ΕΘΝΟΣ «Ε» [14/8/2012 and 30/8/2012].

<sup>vii</sup> Loizos and Papataxiarchis pointed out that: ‘In Orthodoxy the ‘two worlds’ remain separate yet connected, but unequal and asymmetric, for while the laity by a positive effort can transcend the limitations of their flaws through fasting and piety [...] the monastics have chosen the ‘elevated’ path, and an increasing involvement in the ‘world of the flesh’ must be negatively evaluated’ (1991:16-17).

<sup>viii</sup> According to archival research, the rule of the *Avaton* was introduced by Emperor Vasillios I in 885AC, in response to several economic disputes between monasteries and the secular town of Ierissos over the use of cattle in the fields situated between the monastery of Kolovos and Ierissos (Papachrysanthou 1992:127-57, and Paganopoulos 2007:123-5). The monastery charged a high price to rent the land for cattle, while other nearby monastic settlements also had their own claims over the land. The Emperor resolved these disputes in a letter addressed to a single authority of Athos, the Council of Elders, which drew the border between Athos and the ‘worldly world’ (*kosmikos k/cosmos*). Following the foundation of the republic by St Athanasius the Athonite in the 10<sup>th</sup> century, Mary appeared to him introducing herself as the ‘builder’ (*ecodomos*) of the first Royal monastery of Meghisti Lavra (meaning the ‘great Lavra’), encouraging him to complete his work. Following his accidental death in 1004, she re-appeared to the first Abbot of Meghisti Lavra, re-introducing herself as the ‘*economos*’, meaning the ‘stewardess’ of the monastery, and ‘economy’ with the *coenobitic* (communal) life as the ‘law’ (*nomos*) of the ‘house’ (*ecos*). Following four centuries of Ottoman ruling, during which the *coenobitic* (communal) life was dismantled and the *idiorythmic* model was introduced as a way of avoiding taxation, the notion of ‘economy’ (*eksoikonomo*) was re-introduced in the early 20<sup>th</sup> century with a return to communal life, by the charismatic Joseph the Hesychast (d.1959) as a new kind of self management in the training of younger monks, particularly since the younger ones were deemed to be too soft to follow the hardships of the hermetic monastic life of the Hesychast (Joseph the Vatopaidian 2002:33, Filotheitis 2008:350-352, and Paganopoulos 2009:366-369). The return to the *coenobitic* way of life was encouraged by the Athonian Charter of 1926, as per chapter 5, article 85 (*Katastatikos Hartis* 1979: 63-64), as a nostalgic return to, and recovery of, the ideals of ‘Byzantine universalism’ (Tzanelli 2008:141-150), on the basis of a romantic ‘longing for an age before the state’ (as in Herzfeld 1997:22). Further, the Treaty of Surrender of 10 August 1920, and the Lausanne Convention on 24 July 1923, ratified the constitutional autonomy of Athos, placing it under the spiritual protection of the ‘Ecumenical Patriarchate of Constantinople’ in Istanbul, and the political protection of the Greek ministry of Foreign Affairs. The independent status of the Republic places it in a paradoxical position, as it is situated within the Greek borders but is also independent of Greece. This presented internal complications about the monasteries’ relationship to the Greek state, namely that the status of non-Greek monks living on Athos is unclear. Despite article 6 of the Athonian constitution of 1926 declaring ‘all monks living on Athos, regardless their ethnicity gain the Greek citizenship’ (*Katastatikos Hartis* 1979: 33), non-Greek monks represent different Orthodox traditions from that of the Greeks, which in the past have led into conflicts over matters of faith, with demographic consequences. Following the inclusion of Athos into the Greek border of 1912, the monasteries were obliged to return to the *coenobitic* life, as per chapter 5, article 85 of the Athonian Charter of 1926 (*Katastatikos Hartis* 1979: 63-64). The Charter on the one hand, guaranteed the economic and political autonomy of the republic from Greece, while on the other encouraged for the reorganization of the twenty surviving monasteries into functional economic units (i.e. ‘economy’ here means the ‘law [*nomos*] of the house [*ecos*]’ and is directly related to ‘ecology’, Paganopoulos 2009: 364). The return to the ideals and practices of *coenobitic* life was seen as a recovery of a lost, ‘spiritual’ past, as a kind of spiritual resurrection by



Greek monks. Historically, however, it was the result of the rapid demographic changes that took place in the peninsula in the first half of the 20<sup>th</sup> century, as a consequence of the republic in the Greek border of 1912.

<sup>ix</sup> See Eleseos and Papaghiannis 1994: 43-54, and in *Official Journal of the EU* OJ C 318 E, 13/11/2001, written question E-0576/03 by Mikhail Papayannakis GUE/NGL to the EU Commission 28 February 2003 with subject 'the declassification of woodlands in Greece', including Athonian forests.

<sup>x</sup> According to reports there are more than 50,000 visitors to Athos a year, Greek newspaper *Macedonia* 28/11/2005, p.31.

<sup>xi</sup> "For the period 2007-2013, the budget allocated to regional policy amounts to around € 348 billion, comprising € 278 billion for the Structural Funds and € 70 billion for the Cohesion Fund. This represents 35% of the Community budget and is the second largest budget item. There are two Structural Funds: the European Regional Development Fund (ERDF) is currently the largest. Since 1975 it has provided support for the creation of infrastructure and productive job-creating investment, mainly for businesses; the European Social Fund (ESF), set up in 1958, contributes to the integration into working life of the unemployed and disadvantaged sections of the population, mainly by funding training measures. In order to speed up economic, social and territorial convergence, the European Union set up a Cohesion Fund in 1994. It is intended for countries whose per capita GDP is below 90% of the Community average. The purpose of the Cohesion Fund is to grant financing to environment and transport infrastructure projects. However, aid under the Cohesion Fund is subject to certain conditions." Link: [http://europa.eu/legislation\\_summaries/glossary/structural\\_cohesion\\_fund\\_en.htm](http://europa.eu/legislation_summaries/glossary/structural_cohesion_fund_en.htm)

<sup>xii</sup> Funded by both the Greek state (*KEDAK*: 'Heritage') and the EU: 17 billion drachmas for infrastructure projects (in total) including: 'the preservation of the rich natural environment and cultural identity of Mount Athos': 1997: 50,000,000 Drachmas from Laliotis; 1999: 441,000,000 Drachmas from Konstantinos Vretos; 1999: 996,000,000 Drachmas from Konstantinos Pahtas; 90,000,000 and 70,000,000 Drachmas from Yannis Makriotis and Georgios Paschalidis, respectively. 15% of funding for fire-fighting facilities and roads, transport + 20% for restoration of guest houses (*Vatopaidi*): what happened to the rest 65%?

<sup>xiii</sup> The Centre of Preservation of the Holy Mount (Mount Athos) Heritage (*KEDAK*), and the Ephorate of Byzantine and post-Byzantine antiquities of the Hellenic Ministry of Culture

<sup>xiv</sup> From the UNESCO report: '[...]exceeding 10,000 sq m of lost surface and the restoration funds necessary (about 30,000,000 Euros), protective fencing, and photogrammetric documentation to help estimate the extent of the damage. Consolidation and shelter works totaling approximately 1,000,000 Euro have been carried out through the end of the winter 2004-2005. Further consolidation and cleaning operations are planned in 2005 to permit the beginning of restoration in 2006. Anticipated works are being guided by the competent authorities of the Centre of Preservation of the Holy Mount (Mount Athos) Heritage (*KEDAK*), the 10th Ephorate of Byzantine and post-Byzantine antiquities of the Hellenic Ministry of Culture, and an advisory committee of scientists of international reputation set up to guide post-fire decision-making, ICOMOS. The funds allocated by the Greek Ministry of Culture over the next five years (1,000,000 Euros) fall far short of the funds described as necessary (30,000,000 Euros). A number of other management problems have become evident in visits to the site by the members of ICOMOS and other organizations in recent years. Large European Union funded infrastructure projects have promoted intrusive road development projects (in a territory that has very limited vehicular traffic) and which have threatened long maintained landscape qualities around and between monasteries. Equally EU funded restoration projects are taking place without reference to the WH values recognized at the moment of inscription, and without following normal conservation standards for documentation, investigation and analysis. Concern has been expressed that the chestnut forest surrounding the monasteries – the last extensive forest in the Mediterranean area – is threatened by careless habits of timber extraction and increasing road building between monastic settlements.' <http://whc.unesco.org/en/soc/1292>

<sup>xv</sup> See Swiebel and Rojo reports 2003; Anna Karamanou and the European Parliament and the Chairperson of the Committee of Women's Rights and Equal Opportunities report in July 2003, and in the *Official Journal of the EU* 2004/C 58 E/023, written question P-0556/03 by Maria Izquierdo Rojo (PSE) to the Commission (20/2/2003); and 318 E, 13/11/2001, p. 0252, written question P-1954/01 by Gianni Vattimo (PSE) on the

‘violation of the principle of equality of access to Mount Athos’, on the basis of the *Charter of Fundamental Rights of the European Union*, "Equality Between Men and Women", as per article 23 : ‘[...] requests the lifting of the ban on women entering Mount Athos in Greece, a geographical area of 400 km<sup>2</sup> where women's access is prohibited in accordance with a decision taken in 1045 by monks living in the 20 monasteries in the area, a decision which nowadays violates the universally recognized principle of gender equality, Community non-discrimination and equality legislation and the provisions relating to free movement of persons within the EU’. See also Corrigendum to Directive 2004/58/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States amending Regulation (EEC) No 1612/68 and repealing Directives 64/221/EEC, 68/360/EEC, 72/194/EEC, 73/148/EEC, 75/34/EEC, 75/35/EEC, 90/364/EEC, 90/365/EEC and 93/96/EEC (*Official Journal of the European Union L 158 of 30 April 2004*), and L 229/38 EN *Official Journal of the European Union* 29.6.2004 ‘RIGHT OF EXIT AND ENTRY to all Union citizens’ (CHAPTER II: Article 4).

<sup>xvi</sup> Vatopaidi's claim over 80,000 square metres of land situated at the highly commercial area of Chalkidiki, which included a number of shops, residencies, and hotels; Koutloumousiou, 4,500 square meters in the highly tourist area of Toroni, including a number of hotels. Vatopaidi: 8,608 square meters in Stageira-Akanthou area, and 12 fields at Kallikrateia, near Thessaloniki. Xenophontos: 53,000 square metres of Sithonia, Chalkidiki's middle peninsula. Dionysiou: 15,400 square metres in Ormelia. All four monasteries have Abbots who are ‘grandchildren’ of the charismatic Joseph the Hesychast (d. 1959) founder of the Family of Josepheoi who revived the coenobitic life and economy of a number of monasteries and settlements inside and outside Athos (Paganopoulos 2009: 371-6).

<sup>xvii</sup> Below is the financial picture of the Vatopaidian property business, taken from Kostas Vaksevanis, <i>Pandora's Box</i> [31/1/2012 ERT.GR]
Part one (or A) : <a href="http://www.ert.gr/webtv/index.php/component/k2/item/1659-το-βατοπέδι-σε-νούμερα-μέρος-α.html">http://www.ert.gr/webtv/index.php/component/k2/item/1659-το-βατοπέδι-σε-νούμερα-μέρος-α.html</a>
Part two (or B) : <a href="http://www.ert.gr/webtv/index.php/component/k2/item/1933-%CE%BF-%CE%B2%CE%B1%CF%84%CE%BF%CF%80%CE%AD%CE%B4%CE%B9-%CF%83%CE%B5-%CE%BD%CE%BF%CF%8D%CE%BC%CE%B5%CF%81%CE%B1-%CE%BC%CE%AD%CF%81%CE%BF%CF%82-%CE%B2%CE%84.html">http://www.ert.gr/webtv/index.php/component/k2/item/1933-%CE%BF-%CE%B2%CE%B1%CF%84%CE%BF%CF%80%CE%AD%CE%B4%CE%B9-%CF%83%CE%B5-%CE%BD%CE%BF%CF%8D%CE%BC%CE%B5%CF%81%CE%B1-%CE%BC%CE%AD%CF%81%CE%BF%CF%82-%CE%B2%CE%84.html</a>
“Vatopaidi’s financial activities are a complete departure from the practices of all the other monasteries of Mount Athos. The Banks of the MARFIN GROUP are the source of the capital flow to the monastery. The monastery receives from the banks a loan of 157,000,000 Euros but 115,000,000 Euros of this loan is returned to companies of the Group as a capital share increase or for the purchase of shares of the Group’s companies. Reports from the Bank of Greece show that within the period from 30/6/2006 (June 30, 2006) to 8/8/2008 (August 8, 2008), the monastery received through its off-shore companies 156,988,000 Euros. The bank had approved a total of 173,600,000 Euros but they did not use all of it. The reason behind the loan is “the financing of the Holy Monastery of Vatopaidi with working capital to help it cover its investment needs.” The investor Vatopaidi got this loan to invest it as follows:
• 30,200,000 Euros towards the capital increase of MARFIN INVESTMENT GROUP (MIG),
• 6,300,000 Euros to buy shares of the HYGEIA Medical Group again of the MIG,
• 4,790,000 Euros for shares of the MARFIN POPULAR BANK, an important banking arm of MIG,
• 10,400,000 Euros to buy shares of VIVARTIA a company purchased by MIG,
• 4,000,000 Euros for shares of SINGULAR LOGIC, a company of MIG,
• 21,700,000 Euros to pay off a previous loan of the investing bank, related again to MIG,
• 22,700,000 Euros to buy more shares of MIG,
• 30,000,000 Euros to buy shares of the Greek Telecommunications Company (OTE) during the period of September 12 to September 14, 2007, in order to sell them right after the elections of September 20th.
In total the monastery’s investments in MIG and its companies rose to 115,537,379.12 Euros. From the remaining loan it disbursed the following amounts:
• 6,000,000 Euros were given to the off-shore company TORCASO to buy a property.
• 15,000,000 Euros were given for shares of the company PAPISTAS.

<ul style="list-style-type: none"> <li>• 600,015 Euros went for shares of the company ANTHEMIAS of the PAPISTAS GROUP, the company that bought some of the properties acquired through the land exchange deal. MARFIN BANK and MIG had nothing to say to us about the money they received, especially after having given huge loans to Vatopaidi, they just pointed out that all transactions were legal.</li> </ul>
<p>The Monastery got involved in real estate through its own companies or companies it participated in. These companies are suspected by the authorities of being part of a money laundering system.</p> <p>Vatopaidi's off shore company buys in 2007 a property in Belgrade from the company SASA GERUM for 704,500 Euros. A year later it sells the same property to the company DIGITAL PRINTING CENTER for 2,450,000 Euros, 3.5 times higher in price.</p> <p>The companies of PAPISTAS, partners of the monastery, buy 3 properties that had been sold even the same day for a second time, through Jordan Papaioanou. The PAPISTAS GROUP buys at a price many times higher than Papaioanou did. Furthermore, the money does not go to Papaioanou but to the previous seller. They bought:</p>
<ul style="list-style-type: none"> <li>• A property in Thessaloniki on Stratigou Sarafi Str. for 6,759,000 Euros. This property had been sold earlier the same day for 3,600,000 Euros.</li> </ul>
<ul style="list-style-type: none"> <li>• A property in the county of Kordelio from Papaioanou for 1,500,000 Euros, which Papaioanou had bought five days earlier for 500,000 Euros.</li> </ul>
<ul style="list-style-type: none"> <li>• A property in Thermi, Thessaloniki for 9,530,000 Euros. This property was sold twice the same day, the first time for 5,000,000 Euros.</li> </ul>
<p>Later during his deposition, Papaioanou admitted that he acted as a surrogate in these real estate transactions of the PAPISTAS GROUP.</p>
<p><b>Loans and Transactions [2006-8]</b></p> <p>According to reports in the Greek media, the Monastery receives loans on which it buys and sells properties outside Athos, but makes no restorations and/or agricultural development along with conservation of the forest, in spite the grants from both the government and the EU:</p> <ul style="list-style-type: none"> <li>• In 1997 50,000,000 Drachmas from Laliotis</li> <li>• In 1999 441,000,000 Drachmas from Konstantinos Vretos</li> <li>• In 1999 996,000,000 Drachmas from Konstantinos Pahtas</li> <li>• 90,000,000 and 70,000,000 Drachmas from Yannis Makriotis and Georgios Paschalidis, respectively.</li> </ul> <p>In 1999, Vatopaidi purchases with a 2,300,000 Euro loan from Emboriki Bank a property at 23 Kalirois Street in Athens. The same year with a loan of 2,000,000,000 Drachmas from the bank Ergasias it purchases from Babis Vovos SA the property on 7 Kifisias Street. With a loan of 900,000 Euros from Emporiki a property on 17-19 Sinopis street (represented by Monk Evdokimos) is purchased. With a 550,000 Euros loan from Emporiki a property at 4 Selinoundos street. With a 5,869,405.72 Euro loan from Emboriki the Monastery purchased from Babis Vovos SA a property at 32 Aigialeias street. In the beginning of the decade of 2000, the Monastery purchases more properties with loans for an undisclosed purpose. It continues with similar investments from 2005 through 2008.</p> <p>In 2007 just before the scandal of Vatopaidi was revealed, the Monastery, according to the documents of the Bank of Greece, makes two curious property purchases from an offshore company, TORCASO INVESTMENT LTD. It buys with a 3,700,000 Euros loan a property on Traka Street and with a 6,000,000 Euros loan another property of TORCASO again on 7 Kifisias street. What is TORCASO? It is a Cypriot company established in 1999 whose owner appears to be Nikolaos Zigras. This company became known from the sale of a property on Dionysiou Areopagiti Street at least on paper, to another offshore company which then sold it to the family of Minister Akis Tsohatzopoulos (of the PASOK political party, he served in many positions, including as Minister of Defense). This is the property for which Akis Tsohatzopoulos is investigated. Zigras is also Tsohatzopoulos's cousin. Vatopaidi pays the money, though, to a businessman named Sahpatzidis who claims to be Torcaso's owner. The network of companies involved in deals with Torcaso's is presently being investigated for bribes related to the sale of arms."</p>
<p>According to the records of the Bank of Greece between 2006 and 2008 Vatopaidi:</p> <ol style="list-style-type: none"> <li>a) Receives government financing amounting to 5, 947,353.88 Euros</li> <li>b) Has rental income of 9,160,114.1 Euros</li> <li>c) Receives financing from other creditors of 9,261,300.80 Euros while it keeps getting loans to pay other loans and</li> <li>d) Cash of 1,342,021.09 Euros.</li> </ol>
<p><b>TOTAL: 25,710,798.22 Euros</b></p>

25/03/2013: Στην αποκάλυψη ότι η Λαϊκή Τράπεζα έκανε στην Ελλάδα δάνειο κίνησης στη Μονή Βατοπεδίου με το ποσό των 175 εκατ. ευρώ αποκάλυψε το μέλος του Διοικητικού Συμβουλίου της τράπεζας, Μάριος Χατζηγιαννάκης.Μιλώντας στον τηλεοπτικό σταθμό «MEGA» Κύπρου/ 600 εκ. ευρώ που χάθηκαν η Λαϊκή Τράπεζα

<sup>xviii</sup> The Girdle was given as a gift to Vatopaidi by the emperor Theodosius I ‘the Great’ (347-395AC, emperor 379-395AC), as a gift for the miraculous rescue of his son Arcadius from a shipwreck at the site of Vatopaidi (see chapter 3). According to the monks, the Girdle has travelled to Cappadocia and Constantinople in the 4<sup>th</sup> century, where it was kept until the Greek revolution of 1821. After the destruction of the monastery by the Ottoman army it ended to the British Consul, based on the island of Santorin. The legend has it that the locals of the island managed to gather the money required to buy the belt from the British, and return it to Vatopaidi via the monastery of Dionysiou [personal communication with *vemataris* (‘step-man’, sacristan) 22/9/02]. In this way, the belt is also connected to the foundation of the Greek state in itself, as its purchase from the British united an entire island, becoming a national symbol of Greek identity.

<sup>xix</sup> Official Website of the Government of Russian Federation, Link: <http://government.ru/eng/docs/17247/>

<sup>xx</sup> Kostas Vaksevanis, *Pandora’s Box* 31/1/2012 ERT.GR

<sup>xxi</sup> Esfigmenou is the heart of the *new* zealots of the ‘Old Calendarist Church’, an international ultra-Orthodox political sect that takes the adoption of the Gregorian calendar in 1926 by most monasteries of Athos as a betrayal and a ‘matter of faith’ (*thema pisteos*). The monastery has been associated with extremist political parties in Greece, Europe and the US, and its monks have participated in a number of public protests against the international project of ‘Ecumenism’, the effort to unify the Catholic and Orthodox Churches that began in the 1970s (Paganopoulos 2007: 127-128). Since the 1970s, the zealots refuse to participate to the Holy Committee of Athos, and to commemorate the Patriarch in their prayers. In February 2003, following the third eviction note issued by the Holy Committee and the Greek Patriarchate against the ‘occupying’ brotherhood, the monastery has been under embargo, while the Committee funds another nearby abandoned settlement to become the new Esfigmenou, in order to further isolate the zealots. But ironically, the bigger their struggle against the world becomes, the greater their ultra-Orthodox reputation spreading worldwide.

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## Glossary

*Acquits communautaire*: EU term referring to the agreements and compromises made by all EU states and institutions towards the ideal of a unified ‘community’; also known as *EU acquis* and/or *Community acquis*

*Avaton*: ‘No Pass’/trespassing: referring to the prohibition of all females, including cattle, from entering the peninsula. The rule was first introduced by Emperor Vasillios I in 885AC in response to several economic disputes between monasteries and the secular town of Ierissos over the use of cattle in the fields situated between the monastery of Kolovos and Ierissos (Papachrysanthou 1992:127-57, and Paganopoulos 2007:123-5)  
*Coenobitic*: Communal life as first introduced in the peninsula by St. Athanasius the Athonite in the 10<sup>th</sup> century: *see also note viii on economy*

*Oikonomia*: the ‘law’(nomos) of the ‘house’ (ecos)

*Hesychasm*: ‘Silencers’ referring to the 14<sup>th</sup> century movement of monks led by St. Gregorius Palamas (1296-1359) who became a monk in Vatopaidi in 1315 and the Abbot of Esfigmenou twenty years later. The *Hesychast* movement was revived in the 20<sup>th</sup> century by Joseph the Hesychast (1897-1959): *see also note viii and Paganopoulos (2009: 366-373)*

*Idiorythmic*: ‘Private rhythm’/ way of life: Following the Fall of Constantinople in 1453, the monks gradually replaced the communal(*coenobitic*) economies of the monasteries with the *idiorythmic* way of life encouraged private property as the means of hiding and avoiding the heavy Ottoman taxation on monastic treasures.

*Katastatikos Hartis*: Athonian Charter of 1926

*Kosmikos k/cosmos*: ‘worldly world’

*Metochia*: Monastic properties located outside the monastery

*Palaioimerologites*: referring to members of the ‘Old Calendarist Church’ sect: *see also note xxi*

*Parthenia, partheniki zoe*: ‘virignity’, ‘virgin (way of) life’

*Pneumatikotita, pneumatiki zoe/ kathikonta*: ‘spirituality’, ‘spiritual life/ duties’

*Tamata* (‘promises’): golden ornaments of body parts (a leg, a hand, a heart) offered in exchange for a miracle

*Themata pisteos*: referring to contemporary ‘matters of faith’

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